

AMENDMENTS TO LB 1256

Introduced by Education Committee:

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 79-1101, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-1101 (1) The Legislature finds and declares that:
6 (a) Early childhood education programs can assist children in
7 achieving their potential as citizens, workers, and human beings
8 and can strengthen families; (b) early childhood education has
9 been proven to be a sound public investment of funds not only
10 in assuring productive, taxpaying workers in the economy but also
11 in avoidance of increasingly expensive social costs for those who
12 drop out as productive members of society; (c) the key ingredient
13 in an effective early childhood education program is a strong
14 family development and support component because the role of the
15 parent is of critical importance; (d) while all children can
16 benefit from quality, developmentally appropriate early childhood
17 education experiences, such experiences are especially important
18 for at-risk infants and children; (e) current early childhood
19 education programs serve only a fraction of Nebraska's children and
20 the quality of current programs varies widely; (f) well-designed
21 early childhood education programs increase the likelihood that
22 children who participate will enter school prepared to achieve high
23 standards; (g) effective early childhood education programs require

1 staff with knowledge about child growth, development, and learning
2 and family systems; and (h) both public and nonpublic programs
3 which meet recognized standards of quality can address the growth,
4 development, and learning needs of young children.

5 (2) It is the intent of the Legislature and the public
6 policy of this state to encourage schools and community-based
7 organizations to work together to provide high-quality early
8 childhood education programs for infants and young children which
9 include family involvement. The purposes of sections 79-1101 to
10 79-1104 and sections 4 to 8 of this act are to provide state
11 assistance to selected school districts, cooperatives of school
12 districts, and educational service units, and community-based
13 organizations for early childhood education, to encourage
14 coordination between public and private service providers of early
15 childhood education and child care programs, and to provide state
16 support for efforts to improve training opportunities for staff in
17 such programs.

18 (3) For purposes of sections 79-1101 to 79-1104, early
19 and sections 4 to 8 of this act:

20 (a) Board of trustees means the Early Childhood Endowment
21 Board of Trustees;

22 (b) Early childhood education program means any
23 prekindergarten part-day or full-day program or in-home
24 family support program with a stated purpose of promoting
25 social, emotional, intellectual, language, physical, and
26 aesthetic development and learning for children from birth to
27 kindergarten-entrance age and family development and support.

1 (c) Endowment agreement means an agreement between the
2 State Department of Education and an endowment provider entered
3 into pursuant to section 4 of this act; and

4 (d) Endowment provider means an endowment that has met
5 the criteria described in section 4 of this act which has entered
6 into an endowment agreement.

7 Sec. 2. Section 79-1103, Revised Statutes Supplement,
8 2005, is amended to read:

9 79-1103 (1)(a) The State Department of Education shall
10 establish and administer the Early Childhood Education Grant
11 Program. The Upon the effective date of an endowment agreement,
12 administration of the Early Childhood Education Grant Program with
13 respect to programs for children from birth to age three shall
14 transfer to the board of trustees. If there is no endowment
15 agreement in effect, the department shall request proposals in
16 accordance with this section for all early childhood education
17 programs from school districts, individually or in cooperation
18 with other school districts or educational service units, working
19 in cooperation with existing nonpublic programs which meet the
20 requirements of subsection (2) of section 79-1104. If there is
21 an endowment agreement in effect, the board of trustees shall
22 administer the Early Childhood Education Grant Program with respect
23 to programs for children from birth to age three pursuant to
24 section 5 of this act and the department shall continue to
25 administer the Early Childhood Education Grant Program with respect
26 to other prekindergarten programs pursuant to sections 79-1101
27 to 79-1104 and sections 4 to 8 of this act. All administrative

1 procedures of the board of trustees, including, but not limited to,
2 rules, grant applications, and funding mechanisms, shall harmonize
3 with those established by the department for other prekindergarten
4 programs.

5 (b) The first priority shall be for (i) continuation
6 grants for programs that received grants in the prior school fiscal
7 year and for which the state aid calculation pursuant to the Tax
8 Equity and Educational Opportunities Support Act does not include
9 early childhood education students, in an amount equal to the
10 amount of such grant, except that if the grant was a first-year
11 grant the amount shall be reduced by thirty-three percent, and
12 (ii) continuation grants for programs for which the state aid
13 calculation pursuant to the act includes early childhood education
14 students, in an amount equal to the amount of the grant for
15 the school fiscal year prior to the first school fiscal year
16 for which early childhood education students were included in the
17 state aid calculation for the school district's local system minus
18 the calculated state aid amount. The calculated state aid amount
19 shall be calculated by multiplying the cost grouping cost per
20 student for the school district's local system cost grouping by
21 the adjusted formula students attributed to the early childhood
22 education programs pursuant to the Tax Equity and Educational
23 Opportunities Support Act.

24 (c) The second priority shall be for new grants and
25 expansion grants for programs that will serve at-risk children who
26 will be eligible to attend kindergarten the following school year.
27 New grants may be given for up to three years in an amount up to

1 one-half of the total budget of the program per year. Expansion
2 grants may be given for one year in an amount up to one-half
3 of the budget for expanding the capacity of the program to serve
4 additional children.

5 (d) The third priority shall be for new grants, expansion
6 grants, and continuation grants for programs serving children
7 younger than those who will be eligible to attend kindergarten
8 the following school year. New grants may be given for up to
9 three years in an amount up to one-half the total budget of the
10 program per year. Expansion grants may be given for one year in
11 an amount up to one-half the budget for expanding the capacity of
12 the program to serve additional children. Continuation grants under
13 this priority may be given annually in an amount up to one-half the
14 total budget of the program per year minus any continuation grants
15 received under the first priority.

16 (e) Programs serving children who will be eligible to
17 attend kindergarten the following school year shall be accounted
18 for separately for grant purposes from programs serving younger
19 children, but the two types of programs may be combined within the
20 same classroom to serve multi-age children. Programs that receive
21 grants for school fiscal years prior to school fiscal year 2005-06
22 to serve both children who will be eligible to attend kindergarten
23 the following school year and younger children shall account for
24 the two types of programs separately for grant purposes beginning
25 with school year 2005-06 and shall be deemed to have received
26 grants prior to school fiscal year 2005-06 for each year that
27 grants were received for the types of programs representing the age

1 groups of the children served.

2 (2) Each program proposal which is approved by the
3 department shall include (a) a planning period, (b) an agreement
4 to participate in periodic evaluations of the program to be
5 specified by the department, (c) evidence that the program will
6 be coordinated or contracted with existing programs, including
7 those listed in subdivision (d) of this subsection and nonpublic
8 programs which meet the requirements of subsection (2) of section
9 79-1104, (d) a plan to coordinate and use a combination of
10 local, state, and federal funding sources, including, but not
11 limited to, programs for children with disabilities below five
12 years of age funded through the Special Education Act, the Early
13 Intervention Act, funds available through the flexible funding
14 provisions under the Special Education Act, the federal Head
15 Start program, 42 U.S.C. 9831 et seq., the federal Even Start
16 Family Literacy Program, 20 U.S.C. 6361 et seq., Title I of
17 the federal Improving America's Schools Act of 1994, 20 U.S.C.
18 6301 et seq., and child care assistance through the Department
19 of Health and Human Services, (e) a plan to use sliding fee
20 scales and the funding sources included in subdivision (d) of
21 this subsection to maximize the participation of economically and
22 categorically diverse groups and to ensure that participating
23 children and families have access to comprehensive services, (f)
24 the establishment of an advisory body which includes families
25 and community members, (g) the utilization of appropriately
26 qualified staff, (h) an appropriate child-to-staff ratio, (i)
27 appropriate group size, (j) compliance with minimum health and

1 safety standards, (k) appropriate facility size and equipment,
2 (l) a strong family development and support component recognizing
3 the central role of parents in their children's development, (m)
4 developmentally and culturally appropriate curriculum, practices,
5 and assessment, (n) sensitivity to the economic and logistical
6 needs and circumstances of families in the provision of services,
7 (o) integration of children of diverse social and economic
8 characteristics, (p) a sound evaluation component, including at
9 least one objective measure of child performance and progress, (q)
10 continuity with programs in kindergarten and elementary grades,
11 (r) instructional hours that are similar to or less than the
12 instructional hours for kindergarten, (s) well-defined language
13 development and early literacy emphasis, including the involvement
14 of parents in family literacy activities, (t) a plan for ongoing
15 professional development of staff, and (u) inclusion of children
16 with disabilities as defined in the Special Education Act, all as
17 specified by rules and regulations of the department in accordance
18 with sound early childhood educational practice.

19 (3) The department shall make an effort to fund programs
20 widely distributed across the state in both rural and urban areas.

21 (4) A report evaluating the programs shall be made to the
22 State Board of Education and the Legislature by January 1 of each
23 odd-numbered year. Up to five percent of the total appropriation
24 for the Early Childhood Education Grant Program may be reserved
25 by the department for evaluation and technical assistance for the
26 programs.

27 (5) Programs may be approved for purposes of the Tax

1 Equity and Educational Opportunities Support Act, expansion grants,
2 and continuation grants on the submission of a continuation
3 plan demonstrating that the program will continue to meet the
4 requirements of subsection (2) of this section and a proposed
5 operating budget demonstrating that the program will continue to
6 receive resources from other sources equal to or greater than the
7 sum of any grant received pursuant to this section for the prior
8 school year plus any calculated state aid as calculated pursuant to
9 subsection (1) of this section for the prior school year.

10 (6) The ~~board~~ State Board of Education may adopt and
11 promulgate rules and regulations to implement the Early Childhood
12 Education Grant Program, except that if there is an endowment
13 agreement in effect, the board of trustees shall recommend any
14 rules and regulations relating specifically to the Early Childhood
15 Education Grant Program with respect to programs for children from
16 birth to age three. It is the intent of the Legislature that the
17 rules and regulations for programs for children from birth to age
18 three be consistent to the greatest extent possible with those
19 established for other prekindergarten programs.

20 Sec. 3. Section 79-1104, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-1104 (1) Any school board in its discretion
23 may (a) establish and financially support programs providing
24 before-and-after-school or prekindergarten services, to which
25 attendance shall be voluntary and which the board may deem
26 beneficial to the education of prekindergarten or school-age
27 children and (b) provide or financially support transportation for

1 children to, from, or to and from programs as defined in section
2 71-1910. The board may charge a fee, not to exceed the actual cost,
3 for providing such programs and services but may waive such fee on
4 the basis of need. This section does not allow any school district
5 to fail to meet its responsibilities under the Special Education
6 Act.

7 (2) Prekindergarten programs established by school
8 boards or educational service units shall be approved by the
9 State Department of Education subject to regulations adopted and
10 promulgated by the State Board of Education and may include such
11 components as (a) the utilization of appropriately qualified staff,
12 (b) an appropriate child-to-staff ratio, (c) appropriate group
13 size, (d) compliance with minimum health and safety standards,
14 (e) appropriate facility size and equipment, (f) a strong
15 family development and support component, (g) developmentally and
16 culturally appropriate curriculum, practices, and assessment, (h)
17 well-defined language development and early literacy emphasis, and
18 (i) a plan for ongoing professional development of staff, all
19 in accordance with sound early childhood educational practice,
20 research, and evaluation. All teachers and administrators in
21 prekindergarten programs established pursuant to this section shall
22 hold a valid certificate or permit issued pursuant to sections
23 79-806 to 79-815. The State Board of Education shall adopt and
24 promulgate rules and regulations for the issuance of such permits
25 or certificates required by this section.

26 Sec. 4. (1) Within ninety days after the effective date
27 of this act, the State Department of Education shall request

1 proposals from private endowments with experience in managing
2 public and private funds for the benefit of children and families
3 in multiple locations in Nebraska to be the endowment provider for
4 the Nebraska Early Childhood Endowment upon the terms set forth in
5 this section.

6 (2) An endowment seeking to become the endowment provider
7 for the Nebraska Early Childhood Endowment shall agree to:

8 (a) Place no less than twenty million dollars in a
9 private endowment as part of the Nebraska Early Childhood Endowment
10 within five years after the effective date of the endowment
11 agreement, of which no less than five million dollars shall be
12 pledged on the effective date of the endowment agreement;

13 (b) Commit all interest, earnings, and proceeds from such
14 private endowment for deposit into the Early Childhood Endowment
15 Cash Fund; and

16 (c) Agree to permit the board of trustees to determine
17 the allocation of funds from the Early Childhood Endowment Cash
18 Fund pursuant to section 5 of this act.

19 (3) Upon selection of an endowment provider, the State
20 Department of Education and such endowment provider shall enter
21 into an endowment agreement pursuant to which the state and the
22 endowment provider will agree to deposit funds as provided in
23 subsection (4) of this section.

24 (4) (a) Upon the effective date of an endowment agreement,
25 the state shall provide for the Early Childhood Endowment Fund,
26 which is hereby created, in accordance with section 8 of this
27 act. Any money in the fund available for investment shall be

1 invested by the state investment officer pursuant to the Nebraska
2 Capital Expansion Act and the Nebraska State Funds Investment Act.
3 The endowment agreement may provide that the obligations of the
4 endowment provider will terminate if no funds are allocated to the
5 Early Childhood Education Endowment Fund on and after July 1, 2007.

6 (b) All interest, earnings, and proceeds from the Early
7 Childhood Endowment Fund shall be deposited in the Early Childhood
8 Endowment Cash Fund, which is hereby created. Any money in the fund
9 available for investment shall be invested by the state investment
10 officer pursuant to the Nebraska Capital Expansion Act and the
11 Nebraska State Funds Investment Act. All interest, earnings, and
12 proceeds from the Early Childhood Endowment Cash Fund shall be
13 retained in such fund.

14 (c) Upon the effective date of an endowment agreement,
15 the endowment provider shall deposit the amounts set forth in the
16 endowment agreement into a private endowment for the benefit of
17 the Early Childhood Education Endowment Fund. Money in the private
18 endowment shall be managed by the endowment provider in accordance
19 with sound, professional, fiduciary practices and in accordance
20 with the endowment agreement.

21 (d) All interest, earnings, and proceeds from the private
22 endowment shall be deposited into the Early Childhood Endowment
23 Cash Fund no less than quarterly.

24 Sec. 5. (1) The Early Childhood Education Cash Fund,
25 consisting of the interest, earnings, and proceeds from the Early
26 Childhood Education Endowment Fund and the interest, earnings, and
27 proceeds from the private endowment created by the endowment

1 provider, and any additional private donations made directly
2 thereto, shall be used exclusively to provide funds for the
3 Early Childhood Education Grant Program for children from birth to
4 age three as set forth in this section.

5 (2) Grants provided by this section shall be to school
6 districts, cooperatives of school districts, educational service
7 units, and community-based organizations for early childhood
8 education programs for children from birth to age three, as
9 determined by the board of trustees pursuant to criteria set forth
10 by the board of trustees.

11 (3) Each program selected for a grant pursuant to this
12 section may be provided for up to one-half of the total budget
13 of such program per year. Programs selected for grant awards
14 may receive continuation grants subject to the availability of
15 funding and the submission of a continuation plan which meets the
16 requirements of the board of trustees.

17 (4) Programs shall be funded across the state and in
18 urban and rural areas to the fullest extent possible.

19 (5) Any program awarded a grant by the board of trustees
20 that is not operated by a school district, cooperative of school
21 districts, or an educational service unit shall conform to the
22 standards set forth in subdivisions (2)(a) through (i) of section
23 79-1104 and shall agree to use grant funds only for services that
24 are nonsectarian in nature.

25 (6) Each program selected for a grant pursuant to this
26 section shall meet the requirements described in subsection (2)
27 of section 79-1103, except that the periodic evaluations of the

1 program are to be specified by the board of trustees, and that the
2 programs need not include continuity with programs in kindergarten
3 and elementary grades and need not include instructional hours
4 that are similar to or less than the instructional hours for
5 kindergarten.

6 (7) Up to five percent of the total amount deposited
7 in the Early Childhood Education Cash Fund each fiscal year may
8 be reserved by the board of trustees for evaluation and technical
9 assistance for the Early Childhood Education Grant Program with
10 respect to programs for children from birth to age three.

11 Sec. 6. To administer the Early Childhood Education Grant
12 Program with respect to children from birth to age three, the Early
13 Childhood Education Endowment Board of Trustees is created. For
14 administrative support and budgetary purposes only, the board of
15 trustees shall be within the State Department of Education.

16 Sec. 7. (1) The board of trustees shall include the
17 following six members:

18 (a) The Commissioner of Education or his or her designee;

19 (b) The director of the Department of Health and Human
20 Services or his or her designee; and

21 (c) The following persons appointed by the Governor, in
22 his or her discretion:

23 (i) Two persons nominated by the endowment provider;

24 (ii) An early childhood professional representing an
25 urban at-risk area appointed pursuant to subsection (5) of this
26 section; and

27 (iii) An early childhood professional representing a

1 rural at-risk county appointed pursuant to subsection (6) of this
2 section;

3 (2) The terms of office for members initially appointed
4 under subsection (1) of this section shall be three years. Upon
5 completion of the initial terms of such members, the Governor shall
6 appoint two members under subdivision (1)(c)(i) of this section for
7 terms of one and two years, the member under subdivision (1)(c)(ii)
8 of this section for a term of three years, and the member under
9 subdivision (1)(c)(iii) of this section for a term of two years.
10 Succeeding appointees shall be appointed for terms of three years.
11 An appointee to a vacancy occurring from an unexpired term shall
12 serve out the term of his or her predecessor. Members whose terms
13 have expired shall continue to serve until their successors have
14 been appointed and qualified.

15 (3) The board of trustees shall by majority vote annually
16 elect a chairperson from among the members of the board of
17 trustees.

18 (4) The members of the board of trustees shall be
19 reimbursed for their actual and necessary expenses incurred while
20 engaged in the performance of their official duties as provided in
21 sections 81-1174 to 81-1177.

22 (5) The Governor shall identify an at-risk urban area
23 consisting of not less than ten contiguous census tracts, as
24 determined by the United States Census Bureau for the 2000 United
25 States Census, within a city of the metropolitan class, which
26 each contain a percentage of families below the poverty line of
27 greater than twenty percent, as reported by the United States

1 Census Bureau for the 2000 United States Census. The Governor shall
2 request that a committee, consisting of (a) the member of the
3 Legislature representing the district containing the preponderance
4 of geographic area of such at-risk area, (b) the member of the
5 board of county commissioners representing the district containing
6 the preponderance of geographic area of such at-risk area, and (c)
7 the member of the city council representing the district containing
8 the preponderance of geographic area of such at-risk area, develop
9 a list of not less than two and not more than four nominees for
10 appointment to the board of trustees. Upon receipt of a list of
11 nominees signed by at least two members of the committee, the
12 Governor shall, in his or her discretion, appoint a member to the
13 board of trustees from such list of nominees.

14 (6) The Governor shall, in his or her discretion, appoint
15 one member to the board of trustees who resides in a county which
16 does not contain a city of the metropolitan class or a city of
17 the primary class and which contains a percentage of families below
18 the poverty line of greater than eight and one-half percent, as
19 reported by the United States Census Bureau for the 2000 United
20 States Census.

21 Sec. 8. (1) From the effective date of an endowment
22 agreement until June 30, 2007, the Early Childhood Education
23 Endowment Fund shall consist of forty million dollars of the Cash
24 Reserve Fund. Such forty million dollars shall remain within the
25 Cash Reserve Fund and remain a part thereof for all purposes except
26 that interest earned on that portion deemed to constitute the
27 Early Childhood Education Endowment Fund shall accrue to the Early

1 Childhood Education Cash Fund in accordance with section 84-613.

2 (2) On and after July 1, 2007, the Early Childhood
3 Education Endowment Fund shall consist of (a) any funds allocated
4 to the Early Childhood Education Endowment Fund from funds
5 belonging to the state for educational purposes described in
6 Article VII, section 7, of the Constitution of Nebraska and (b) any
7 other funds deposited in the Early Childhood Education Endowment
8 Fund at the direction of the Legislature.

9 Sec. 9. Section 84-612, Revised Statutes Supplement,
10 2005, is amended to read:

11 84-612 (1) There is hereby created within the state
12 treasury a fund known as the Cash Reserve Fund which shall be under
13 the direction of the State Treasurer. The fund shall only be used
14 pursuant to this section.

15 (2) The State Treasurer shall transfer funds from the
16 Cash Reserve Fund to the General Fund upon certification by the
17 Director of Administrative Services that the current cash balance
18 in the General Fund is inadequate to meet current obligations. Such
19 certification shall include the dollar amount to be transferred.
20 Any transfers made pursuant to this subsection shall be reversed
21 upon notification by the Director of Administrative Services that
22 sufficient funds are available.

23 (3) On June 15, 2005, the State Treasurer shall transfer
24 twenty-six million dollars from the Cash Reserve Fund to the
25 General Fund.

26 (4) The State Treasurer, at the direction of the
27 budget administrator of the budget division of the Department

1 of Administrative Services, shall transfer such amounts not to
2 exceed seven million seven hundred fifty-three thousand two hundred
3 sixty-three dollars in total from the Cash Reserve Fund to the
4 Nebraska Capital Construction Fund between July 1, 2003, and June
5 30, 2007.

6 (5) The State Treasurer, at the direction of the budget
7 administrator, shall transfer an amount equal to the total amount
8 transferred pursuant to subsection (4) of this section from the
9 General Fund to the Cash Reserve Fund on or before June 30, 2008.

10 (6) In addition to receiving transfers from other funds,
11 the Cash Reserve Fund shall receive federal funds received by the
12 State of Nebraska for undesignated general government purposes,
13 federal revenue sharing, or general fiscal relief of the state.

14 (7) On July 29, 2005, the State Treasurer shall transfer
15 one hundred forty-five million eight hundred eleven thousand three
16 hundred sixty-eight dollars from the Cash Reserve Fund to the
17 Low-Level Radioactive Waste Settlement Fund.

18 (8) On June 15, 2007, the State Treasurer shall transfer
19 fifteen million six hundred seventy-four thousand one hundred seven
20 dollars from the Cash Reserve Fund to the General Fund.

21 (9) On June 15, 2008, the State Treasurer shall transfer
22 seventeen million nine hundred thirty-one thousand thirty dollars
23 from the Cash Reserve Fund to the General Fund.

24 (10) On June 15, 2009, the State Treasurer shall transfer
25 four million nine hundred ninety thousand five hundred five dollars
26 from the Cash Reserve Fund to the General Fund.

27 (11) On or before July 8, 2005, the State Treasurer shall

1 transfer fifteen million dollars from the Cash Reserve Fund to the
2 Job Training Cash Fund. This transfer shall be returned to the Cash
3 Reserve Fund in amounts according to section 81-1201.21.

4 (12) From the effective date of an endowment agreement
5 as defined in subdivision (3)(c) of section 79-1101 until June
6 30, 2007, forty million dollars of the Cash Reserve Fund shall
7 be deemed to constitute the Early Childhood Education Endowment
8 Fund. Such funds shall remain part of the Cash Reserve Fund for
9 all purposes except that the interest earned on such forty million
10 dollars shall accrue as provided in section 84-613.

11 Sec. 10. Section 84-613, Revised Statutes Cumulative
12 Supplement, 2004, is amended to read:

13 84-613 Any money in the Cash Reserve Fund available
14 for investment shall be invested by the state investment officer
15 pursuant to the Nebraska Capital Expansion Act and the Nebraska
16 State Funds Investment Act. Until July 1, 2007, any interest
17 earned by the fund shall accrue to the General Fund, except
18 for interest earned on forty million dollars if such money is
19 deemed to constitute the Early Childhood Education Endowment Fund
20 in accordance with subsection (12) of section 84-612. From the
21 effective date of an endowment agreement as defined in subdivision
22 (3)(c) of section 79-1101 until June 30, 2007, interest earned
23 on the forty million dollars deemed to constitute the Early
24 Childhood Education Endowment Fund shall accrue to the Early
25 Childhood Education Endowment Cash Fund. Commencing July 1, 2007,
26 any interest earned by the Cash Reserve Fund shall accrue to the
27 Building Renewal Allocation Fund.

- 1 Sec. 11. Original sections 79-1101 and 79-1104, Reissue
- 2 Revised Statutes of Nebraska, section 84-613, Revised Statutes
- 3 Cumulative Supplement, 2004, and sections 79-1103 and 84-612,
- 4 Revised Statutes Supplement, 2005, are repealed.